

*Attorneys for Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

	X	
In re	:	
	:	Chapter 11
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:	
	:	Case No. 18-23538 (RDD)
	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	X	

**NOTICE OF REJECTION OF CERTAIN  
UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY  
AND ABANDONMENT OF PROPERTY IN CONNECTION THEREWITH**

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

PLEASE TAKE NOTICE that, on October 15, 2018 (the “**Commencement Date**”), Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), each commenced with the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”).

PLEASE TAKE FURTHER NOTICE that, on November 16, 2018, the Bankruptcy Court entered an order granting certain expedited procedures for the rejection of the Debtors’ unexpired real property leases and the abandonment of the Debtors’ property located at such leased premises (ECF No. 800) (the “**Rejection Procedures Order**”). An electronic copy of the Rejection Procedures Order can found at <https://restructuring.primeclerk.com/sears>.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Rejection Procedures Order, the Debtors hereby give notice of their intent to reject the lease(s) set forth on **Annex A** attached hereto (each, a “**Lease**,” and together, the “**Leases**”), effective as of (unless otherwise ordered by the Court) the later of (i) service and filing of the Rejection Notice and (ii) the date the Debtors have surrendered the leased premises via the delivery of the keys, key codes, and alarm codes to the premises, as applicable, to the Landlord, or, if not delivering such keys or codes, providing notice that the landlord may re-let the premises, as such estimated dates are set forth on **Annex A** (the “**Rejection Date**”).

PLEASE TAKE FURTHER NOTICE that any personal property including inventory, furniture, fixtures, equipment or other materials remaining at the premises subject to the Leases as of the Rejection Date shall be deemed abandoned by the Debtors to the applicable Landlord.

PLEASE TAKE FURTHER NOTICE that with respect to any personal property that is leased to the Debtors by a third party or owned by a third party, such third party shall contact the Debtors and remove or cause to be removed such personal property from the leased premises prior to the Rejection Date. If any such personal property remains on the leased premises after the Rejection Date, the Landlord may dispose of any and all such property as set forth above and without notice or liability to the Debtors or any third party.

PLEASE TAKE FURTHER NOTICE that, any party wishing to object to the Debtors’ proposed rejection of a Lease or abandonment of personal property remaining on the leased premises, must file with the Bankruptcy Court and serve a written objection setting forth the legal and factual bases for such objection (an “**Objection**”) so that it is actually filed with the Bankruptcy Court and served on the following parties no later than ten (10) calendar days after the date of filing and service of this Rejection Notice (the “**Rejection Objection Deadline**”): (i) the Debtors c/o Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179; (ii) the attorneys for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ray C. Schrock, P.C., Jacqueline Marcus, Esq., Garrett A. Fail, Esq., Sunny Singh, Esq., and Jessica Liou, Esq.); (iii) the applicable counterparty to the Lease that is the subject of the Objection; (iv) the Office of the United States Trustee for Region 2, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Paul Schwartzberg, Esq. and Richard Morrissey, Esq.); (v) counsel for the DIP ABL Agent, Skadden, Arps, Slate, Meagher &

Flom LLP, 4 Times Square, New York, New York, 10036 (Attn: Paul D. Leake, Esq., Shana A. Elberg, Esq., and George R. Howard, Esq.); and (vi) counsel for any statutory committee appointed in these chapter 11 cases.

PLEASE TAKE FURTHER NOTICE that if no Objection is filed and served in compliance with the foregoing, the Debtors may submit to the Bankruptcy Court after the Rejection Objection Deadline a proposed order approving the rejection of the Leases (each such order, a “**Rejection Order**”), substantially in the form attached hereto as **Annex B**, and the Bankruptcy Court may enter such order without a hearing.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Rejection Procedures Order, if no Objection is properly filed and served in compliance with the foregoing, the rejection of each Lease shall become effective as of the Rejection Date. The deadline to file a proof of claim to assert any damage claim arising from the rejection of a Lease shall be the later of (i) the deadline to file general unsecured proofs of claim fixed by the Court; and (ii) thirty (30) days after the entry of the Rejection Order.

PLEASE TAKE FURTHER NOTICE that, if an Objection is properly filed and served in compliance with the foregoing, a hearing will be scheduled to consider the Objection. If the Objection is overruled or withdrawn, the effective date of rejection shall be the (i) Rejection Date; (ii) such other date to which the Debtors and the counterparty to the Unresolved Objection have agreed; or (iii) such other date as determined by the Court. If an Objection is filed for fewer than all of the Leases included on the Rejection Notice, the Debtors may proceed with submitting a proposed Rejection Order in accordance with the above procedures for the remaining Leases on the Rejection Notice.

PLEASE TAKE FURTHER NOTICE that a copy of all pleadings filed in these chapter 11 cases, including the motion (ECF No. 24) that sought the relief granted in the Rejection Procedures Order, is available for free at <https://restructuring.primeclerk.com/sears> or for a fee via PACER at <https://ecf.nysb.uscourts.gov>.

Dated: December 19, 2018  
New York, New York

/s/ Jacqueline Marcus  
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**Annex A**

**Rejected Leases**

STORE ID NO.	COUNTERPARTY-LANDLORD AND ADDRESS	COUNTERPARTY-SUBTENANT/ASSIGNEE AND ADDRESS	DEBTOR	PROPERTY ADDRESS	ESTIMATED REJECTION DATE	ABANDONED PERSONAL PROPERTY
69722	James J. Thompson Trust c/o Robert B. Williams, Trustee Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street, 54th Floor New York NY 10005	FQSR LLC 8900 Indian Creek Pkwy, Suite 100 Overland Park, KS 66210	Sears, Roebuck and Co.	1055 Route 1 South NORTH BRUNSWICK, NJ 08902	12/19/2018	N/A
67036	GE Goscha 11500 West 175th Street Olathe KS 66062	O'Reilly Auto Enterprises LLC 233 South Patterson Springfield, MO 65801	Sears, Roebuck and Co.	3407 W Northwest Hwy DALLAS, TX 75220	12/19/2018	N/A
67409	Mackey Investments Sears, LLC 2087 East 250 North Layton UT 84040	Halle Properties LLC 20225 North Scottsdale Road Scottsdale, AZ 85255	Sears, Roebuck and Co.	881 W Hillfield Rd LAYTON, UT 84041	12/19/2018	N/A
2371	Triple G. Ranch, LLC c/o Greenlee Investments, LLLP Attn: Stephen Greenlee 3555 Stanford Road, Suite 204 Fort Collins CO 80525		Sears, Roebuck and Co.	1400 Del Range Blvd Cheyenne, WY 82009	12/19/2018	IT equipment, shelving, and furniture located within the Property.
1072	Waterloo Center LLC c/o Namdar Realty Group, LLC 150 Great Neck Road Suite 304 Great Neck NY 11021	Richman Gordman Stores Inc 12100 West Center Road Omaha, NE 68144	Sears, Roebuck and Co.	2060 Crossroads Blvd Waterloo, IA 50702	12/19/2018	Commercial equipment located within the Property.
1334	South Hills Village Associates LP c/o Simon Property Group Attn: EVP, Corporate Real Estate Development 225 W. Washington Street Indianapolis IN 46204		Sears, Roebuck and Co.	300 S Hills Vlg South Hills, PA 15241	12/19/2018	N/A
1129	Tacoma Mall Partnership c/o Simon Property Group LP 225 West Washington Street Indianapolis IN 46204		Sears, Roebuck and Co.	4502 S Steele St Ste 100 Tacoma, WA 98409	12/19/2018	Furniture, commercial equipment, material handling equipment, fixtures, and shelving located within the Property.
24548	RIF III - Avenue Stanford , LLC 11620 Wilshire Blvd., Suite 1000, Los Angeles, CA 90025		Sears Home Improvement Products, Inc.	28159 Avenue Stanford, Unit 180, Santa Clarita, CA 91355	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.
24023	Duke Realty LTD Partnership 75 Remittance Dr, Suite 3205. Chicago, IL 60675-3205		Sears Home Improvement Products, Inc.	4713 Oak Fair Blvd, Tampa, FL 33610	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.
24509	Regent O'Hare, L.L.C.; c/o NAI Hiffman Asset Management, LLC, 921 Busse Road, Elk Grove Village, IL 60007; Attn: Amanda Moore		Sears Home Improvement Products, Inc.	1500 B Higgins Rd, Elk Grove Village, IL 60007	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.
24005	Arrowridge Acquisitions, LLC c/o Childress Klein, 301 S. College St., Suite 2800, Charlotte, NC 28202		Sears Home Improvement Products, Inc.	8301-A Arrowbridge Blvd, Charlotte, NC 28273	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.
24538	Galaxy Corporate Center, LLC 24700 Chagrin Blvd., Suite 303, Bechwood, Ohio 44122		Sears Home Improvement Products, Inc.	4829 Galaxy Pkwy, Unit E, Warrensville, OH 44128	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.
24517	Ridilla Delmont II 757 Lloyd Avenue, Latrobe, PA 15650		Sears Home Improvement Products, Inc.	1022 Corporate Ln, Export, PA 15632	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.

STORE ID NO.	COUNTERPARTY-LANDLORD AND ADDRESS	COUNTERPARTY-SUBTENANT/ASSIGNEE AND ADDRESS	DEBTOR	PROPERTY ADDRESS	ESTIMATED REJECTION DATE	ABANDONED PERSONAL PROPERTY
24560	Milton Brazell P.O. Box 728, 598 Flowers Court, Edisto Island, SC 29438		Sears Home Improvement Products, Inc.	2110 Commerce Dr, Cayce, SC 29033	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.
24611	Linbar Business Center Associates, LLC Attn: Bert Mathews P.O. Box 22149, Nashville, TN 37202		Sears Home Improvement Products, Inc.	5010 Linbar Dr, Ste 125, Nashville, TN 37211	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.
24019	Terhaar & Cronley Property Company, Inc. Attn: Tony Terhaar 1401 East Belmont Street, Pensacola, FL 32501		Sears Home Improvement Products, Inc.	8792 Ely Rd, Unit B, Pensacola, FL 32514	12/31/2018	Furniture, commercial equipment, and shelving located within the Property.

**Annex B**

**Rejection Order**



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	
	:	<b>Chapter 11</b>
<b>SEARS HOLDINGS CORPORATION, et al.,</b>	:	
	:	<b>Case No. 18-23538 (RDD)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
-----	X	

**ORDER APPROVING THE REJECTION  
OF UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY  
AND ABANDONMENT OF PROPERTY IN CONNECTION THEREWITH**

Pursuant to and in accordance with the *Order Authorizing Debtors to Establish Procedures for Rejection of Unexpired Leases of Nonresidential Real Property and Abandon Property in Connection Therewith* (ECF No. 800) (the “**Rejection Procedures Order**”)<sup>2</sup> entered in the above-captioned chapter 11 cases of Sears Holdings Corporation and its debtor affiliates (collectively, the “**Debtors**”); and the Debtors having properly filed with this Court and served on the Rejection Notice Parties a notice (the “**Rejection Notice**”) of their intent to reject certain

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Rejection Procedures Order.

unexpired leases identified on **Exhibit 1** hereto (“**Leases**”) and to abandon any property remaining at the leased premises on the Rejection Date of the applicable Leases that the Debtors determine is too difficult to remove or expensive to store, such that the economic benefits of removing or storing such remaining property would be outweighed by the attendant costs in accordance with the terms of the Rejection Procedures Order, and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and no timely objections having been filed to the Rejection Notice; and the Court having found and determined that the relief requested is in the best interests of the Debtors, their estates, their creditors, and all parties in interest, and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Leases are hereby rejected as set forth herein, effective as of the later of (i) service and filing of the Rejection Notice and (ii) the date the Debtors have surrendered the premises to the Landlord via the delivery of the keys, key codes, and alarm codes to the premises, as applicable, to the Landlord, or, if not delivering such keys or codes, providing notice that the Landlord may re-let the premises, as such estimated dates are set forth on **Exhibit 1** (the “**Rejection Date**”).

2. Any and all personal property remaining at the leased premises as of the applicable Rejection Date shall be deemed abandoned upon the Rejection Date without further notice or order of the Court, free and clear of all liens, claims, interests, or other encumbrances.

3. With respect to any assets abandoned at one of the Debtors’ leased properties, the applicable Landlord or other designee shall be free, notwithstanding the automatic stay, to dispose of such property without liability to any party (including any third

parties) and without further notice or order of the Court; and the applicable Landlord's rights, if any, to file a claim for the costs of disposal of such property are fully reserved, as are the rights of any party in interest to object to such claims.

4. If any affected non-Debtor party (each, a **"Counterparty"**) to a Lease asserts a claim against the Debtors arising from the rejection of the Lease, the Counterparty shall submit a proof of claim by the later of (i) the deadline to file general unsecured proofs of claim fixed by the Court; and (ii) thirty (30) days after the entry of this Order. If a Counterparty does not timely file a proof of claim in accordance with the terms of this Order, the Counterparty shall forever be barred from asserting a claim arising from the rejection of their Lease, absent further order of this Court to the contrary.

5. Nothing contained in this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, or adoption, of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code.

6. Notwithstanding entry of this Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

7. The Debtors are authorized to take all action necessary to effectuate the relief granted in this Order.

8. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: \_\_\_\_\_, 2018  
White Plains, New York

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THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Schedule of Rejected Leases**